

## Digital Broadcast Signals on Direct Broadcast Satellite (“DBS”) *July 2005*

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- DBS is no longer a “start-up” multichannel service and the providers are not small players due to mergers and acquisitions.
  - DIRECTV – 2<sup>nd</sup> largest MSO
  - EchoStar – 4<sup>th</sup> largest MSO
- DBS reaches 25 million TV households (without factoring in 2005 2Q subscriber numbers). That 25 million represents almost 24% of all US TV households.
- DBS’s DTV “ask” includes the following:
  - No dual or transitional carriage obligation
  - No multicasting obligation
  - Ability to use advanced technologies
  - Broadcast format:
    - EchoStar – asking for SD only obligation
    - DirecTV – asking to make HD/SD its option
- But:
  - On multicasting – like cable, a multicast signal requires the DBS provider to allocate no more bandwidth than it must allocate for an HD signal. From a capacity standpoint, it does not matter what a broadcaster is sending, so long as it is contained in the 19.4 Mbps. **DBS and cable multicasting requirements should be the same.**
  - On advanced technologies – **yes, use of advanced technologies is extremely important to DBS and Capitol Broadcasting supports the DBS position under three conditions:**
    - so long as the signal is broadcast in the format in which it was originally broadcast,
    - there are defined standards to determine the bandwidth required to carry the full broadcast HD signal (in other words, using advanced technologies, what Mbps rate is required to carry a 19.4 Mbps signal?), and
    - there is no material degradation as defined by the Commission.
  - DBS is making its familiar lack of capacity arguments and threatening that fewer local markets will be carried if they must carry the signal in HD, but that remains a hollow argument. Compare the statements on capacity and number of local markets that both DBS providers have made in the analog context with today’s reality. **See attached licenses and authorizations and Capitol Broadcasting’s plan that utilizes only one Ka-band orbital slot, as well as the same advanced technologies advocated by DIRECTV, to carry all stations in all markets.** Plus, cable prepared for HD carriage by building out its facilities. DIRECTV is making real efforts to do the same, but without a requirement to carry a station in the originally broadcast format, consumers will be disadvantaged. For example, a DBS subscriber buys a HD set (and more and more will), expecting to see regular network programming in HD. When she finds her local station in SD, she calls her DBS provider. The DBS provider suggests she call the local broadcaster and ask for a waiver, so she can receive the network HD signal. The local broadcaster says no, because too much of its audience now subscribes to satellite for the broadcaster to be able to give those eyeballs away. *See Capitol’s CSI example.* The result –

**we're back fighting against what we have already tried to resolve – distant signals – just in the digital world. Let's not replay history!**

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